

## Memorandum

Date: August 7, 2000

To: Management Group

From: Rebecca Fawver



Subject: Ecosystem Restoration Program Restoration Reserve

### SUMMARY:

CALFED staff, CALFED agencies and members of the Ecosystem Roundtable have been working to clarify and expand the policy for use and management of the Ecosystem Restoration Program, Restoration Reserve. Attached is a revised Restoration Reserve Fund Policy and revised Contract Amendments Policy for your approval.

### Background:

The Ecosystem Restoration Program maintains a Restoration Reserve for both State Proposition 204 and Federal Bay-Delta Act Funds. These Reserves were originally established in 1997 for the Proposition 204 funds and in 1998 for the Bay-Delta funds. Five percent of the appropriated amount was placed in the Reserve accounts. Currently there is \$7 million of Federal funds and \$3 million of State funds in the Reserve accounts. The original intent of maintaining a Restoration Reserve was to provide funds for project amendments and cost overruns, and to provide a source of funds for the purpose of funding unique opportunities or emergency actions. The language in the 1998 cost share agreement on the reserve stated:

“Up to 5 percent of the funds described in Section II (B) [Proposition 204, Bay-Delta Act, and stakeholder contribution] will be retained in a Restoration Reserve Fund for emergency and single-time expenditures for specific activities consistent with purposes of this agreement set forth in Section I (B) [Purposes]. The Secretary of the Interior and the Secretary for Resources, or their designees, acting through CALFED, may approve expenditures of funds in the Restoration Reserve Fund and can do so without going through the project selection process in Appendix B. All accounting, reporting and crediting provisions of this Agreement shall also be applicable to Action funded through the Restoration Reserve Fund.”

### CALFED Agencies

#### California

The Resources Agency  
Department of Fish and Game  
Department of Water Resources  
California Environmental Protection Agency  
State Water Resources Control Board  
Department of Food and Agriculture

#### Federal

Environmental Protection Agency  
Department of the Interior  
Fish and Wildlife Service  
Bureau of Reclamation  
U.S. Geological Survey  
Bureau of Land Management  
U.S. Army Corps of Engineers

Department of Agriculture  
Natural Resources Conservation Service  
U.S. Forest Service  
Department of Commerce  
National Marine Fisheries Service  
Western Area Power Administration

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On March 30, 2000 the Ecosystem Roundtable began discussions of a revised policy for use of the Ecosystem Restoration Program Restoration Reserve. Because of the level of interest in this topic, discussions were also subsequently held on April 20, 2000 and June 22, 2000 at the Ecosystem Roundtable Issues Subcommittee meetings. At these meetings, there was general agreement on most of the terms of the revised policy. The exception was whether scientific and technical review should be conducted for amendments to existing projects that are currently under contract.

At the July 19, 2000 Ecosystem Roundtable meeting, members agreed to allow contract administrators, in consultation with CALFED staff, decide whether amendments will require scientific and technical review. They also recommended that general guidelines be developed for when the technical review may be necessary (e.g. change in scope, change in project footprint, etc.). These guidelines will be developed by a workgroup prior to the next Amendments Subcommittee meeting.

#### **Action**

The Management Group is asked to consider and approve the revised policy for the use and administration of the Restoration Reserve funds and revised Contract Amendment Process.

Attachments